

Congress of the United States
Washington, DC 20515

August 5, 2020

The Honorable Nancy Pelosi
Speaker of the House
United States House of Representatives
H-232, U.S. Capitol
Washington, DC 20515

The Honorable Mitch McConnell
Majority Leader
United State Senate
S-230, U.S. Capitol
Washington, DC 20515

The Honorable Kevin McCarthy
Minority Leader
United States House of Representatives
H-204, U.S. Capitol
Washington, DC 20515

The Honorable Charles Schumer
Minority Leader
United State Senate
S-221, U.S. Capitol
Washington, DC 20510

Dear Speaker Pelosi, Leader McConnell, Leader McCarthy, and Leader Schumer:

We appreciate your commitment to providing meaningful relief to America's hard-hit Main Street economy during the COVID-19 pandemic. Since the onset of this crisis, Congress has authorized lending to affected small businesses and nonprofits through the Economic Injury Disaster Loan (EIDL) program. Unfortunately, in May, the Small Business Administration (SBA) limited the maximum EIDL loan amount to only \$150,000 – a total that is insufficient to meet the urgent needs of many small businesses in our congressional districts. Therefore, as negotiations continue on the next COVID-19 relief package, we strongly urge you to include additional EIDL funding consistent with the Heroes Act so that SBA can raise the loan cap. We also write to request the inclusion of language directing SBA to establish a streamlined refinancing process for EIDL recipients so that eligible entities whose applications were considered under the \$150,000 cap can easily refinance and receive a loan comparable to their original request.

Under the Coronavirus Preparedness and Response Supplemental Appropriations Act, 2020 (P.L.116-123), Congress enabled eligible businesses and nonprofits to take out EIDLs to help mitigate the profound impact of the COVID-19 pandemic. Subsequently, as part of the CARES Act (P.L. 116-136), Congress established an Emergency EIDL Grant program. Originally, EIDL coverage amounts were capped at \$2 million, with a loan term of up to 30 years. However, on May 7, 2020, SBA announced that it would be limiting EIDLs to \$150,000 and would cap emergency EIDL grants to \$1,000 per employee, up to \$10,000. In addition, SBA temporarily limited the types of eligible entities.

Thankfully, the House acted swiftly to provide additional funds as part of the House-passed Heroes Act, including \$10 billion for EIDL grants, so that SBA can restore the original caps. It has now been over two months since the passage of the Heroes Act, and the Senate has yet to take action to provide additional EIDL funds. Our small business owners need help now, and we

urge the Senate to immediately provide small business and nonprofits with the resources they need to outlast the pandemic.

To meet the needs of struggling Main Street businesses, the next recovery package should also direct SBA to establish a streamlined refinancing process for EIDL recipients so that eligible applicants that applied for EIDL and either did not receive funds or received funds below their requested amount can easily refinance and receive a loan comparable to their original request. These entities should not be forced to contend with additional bureaucracy in order to get the full support they need and have previously requested.

Again, providing additional funding for EIDL and a streamlined refinancing process for those who have already applied for EIDL will facilitate the recovery process for businesses and nonprofits so that they can weather this crisis and eventually emerge stronger than before.

Thank you for your consideration of this request.

Sincerely,



Chris Pappas
Member of Congress



Angie Craig
Member of Congress